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*Anchorage Economic
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Silvia Villamides
Alaska Hospitality Retailers

Jonathan White
Steam Dot Coffee Company

Laurie Wolf
The Foraker Group

Geoff Wright
Pango Technology, Inc.

August 4, 2020

Subject: AK CARES Funding for Hospitality Workforce and Businesses

Dear Chair Rivera and Members of the Anchorage Assembly:

As members of the Anchorage Economic Resiliency Task Force, we have been tasked with advocating for the needs of our business community and workforce as we all navigate through this pandemic. We appreciate that the Assembly has listened to days of testimony and has held numerous and thoughtful discussions to carefully develop your priorities for the Municipal CARES Act funding.

With multiple closures, travel restrictions, and increased health and safety protocols, it is clear that hospitality businesses in statewide and in Anchorage continue to be disproportionately devastated by the effects of COVID-19.

With Congress at a stalemate and no imminent resumption of increased unemployment benefits, it is not hard to imagine how the new mandated closures and travel restrictions will amplify the challenges hospitality, tourism and retail workers and business owners are already facing.

Alaska hospitality workers and businesses need help now. We propose the following to mitigate catastrophic effects:

Administratively withhold, set aside, or otherwise allocate \$10 million in CARES Act funding specifically for the hospitality industry in the Municipality in recognition of the prolonged closures and other restrictions in place for this crucial sector of our economy.

This \$10 million in funding is a critical lifeline for this industry and is needed now to help this industry survive the closures and restrictions in place. \$10 million in CARES Act funding allows these businesses to:

1. Provide assistance to hospitality workforce who would otherwise be laid off or furloughed. We are particularly concerned about the potential of mass evictions and homelessness for these workers, as well as the importance of keeping employees on the payroll so that they can return to work as soon as closures and restrictions are lifted.
 - The ERTF recommends a weekly payment of \$400 for laid off workers and \$200 for workers facing reduced hours; this would be in addition to state unemployment payments and should be structured to not interfere with existing unemployment benefits.
 - Employers could assist in verifying worker status and lost hours.
 - If additional Federal unemployment payments become available, this program could be halted.
2. Provide assistance to business owners to help with fixed costs such as mortgage/lease, utilities, insurance, lost inventory. A hospitality-specific set aside can help some of Alaska's most vulnerable businesses survive. In many cases, these are unique, home-grown businesses that provide quality of life benefits to other Alaskans and are forefront to attracting new dollars to Alaska when travel returns.

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For each of these recommendations, the Assembly could set aside funds, including administrative costs, to a local industry association (CHARR, AkHR), a non-profit or lending institution to set up and implement payments. For expediency, allow the selected administrator to determine their most efficient disbursement and vetting tools. Providing funds to a trade group to distribute may be more equitable, scalable and efficient.

We urge the Assembly to act swiftly and do what it takes to set aside funding and develop a program that gets assistance to these businesses and workers.

We have cc'd you on a similar request to Governor Dunleavy for AK CARES Act funding with hopes that the State's program, with funds already appropriated, may be available to meet this need more quickly. In the event that does not happen in short order and knowing the extreme needs of the hospitality industry, the ERTF felt duty-bound to overlap this request with the State request to ensure timely consideration in your upcoming and ongoing Assembly deliberations and meetings.

We realize that what we're asking for is not easy. Anchorage's hospitality businesses have made hard decisions, too; they've laid off workers, shut their doors, cut costs where they could. Now, we're asking for our elected leaders to stand up for them before we lose them.

Thank you for your consideration.

Sincerely,

Bill Popp
ERTF Co-Chair

Julie Saupe
ERTF Co-Chair

cc: Mayor Ethan Berkowitz, Municipality of Anchorage
Sarah Oates, Alaska Cabaret, Hotel, Restaurant & Retailers Association
Silvia Villamides, Alaska Hospitality Retailers